

Journal of Rural and Community Development

Love of Place and History: A Contextual Approach to Understanding Entrepreneurship In Rural Regions

Authors: Dennis Barber III, J. Steven Childers, Jr., & Theresa L. Burriss

Citation:

Barber III, D., Childers, Jr., J. S., & Burriss, T. L. (2026). Love of place and history: A contextual approach to understanding entrepreneurship in rural regions. *The Journal of Rural and Community Development*, 21(3), 1–19.

Publisher:

Rural Development Institute, Brandon University.

Editor:

Dr. Doug Ramsey

Open Access Policy:

This journal provides open access to all of its content on the principle that making research freely available to the public supports a greater global exchange of knowledge. Such access is associated with increased readership and increased citation of an author's work.



**BRANDON
UNIVERSITY**
Founded 1899



Love of Place and History: A Contextual Approach to Understanding Entrepreneurship in Rural Regions

Dr. Dennis Barber III
East Carolina University
Greenville, NC, United States
barberde17@ecu.edu

J. Steven Childers, Jr.
Radford University
Radford, VA, United States
jchilders2@RADFORD.EDU

Theresa L. Burriss
Independent Appalachian Studies Scholar
Bristol, VA
tburriss@radford.edu

Abstract

This study argues that rural entrepreneurship merits its own context and focus of investigation in the entrepreneurship literature. The paper develops a theoretical case for contextualizing the study of rural entrepreneurship, which remains understudied with respect to key assumptions about social networks, institutional impacts, and historical circumstances. The paper proposes an additional dimension to the theory of contextualization: separation of contexts should not be justified merely by differences in assumptions about independent variables, but also by differences in the outcome variables researchers measure. Drawing on purposeful interviews with three actors embedded in the Central Appalachian entrepreneurial ecosystem, the paper directionally illustrates how rural settings differ along four parameters: social networks, institutional impacts, historical contexts, and outcome measurements. The findings invite further work that treats rural entrepreneurship as a context of its own rather than a residual category defined against urban benchmarks.

Keywords: contextualization, rural entrepreneurship, multilevel, qualitative, Central Appalachia

Attachement au lieu et à l'histoire : une approche contextuelle pour comprendre l'entrepreneuriat en milieu rural

Dr. Dennis Barber III
East Carolina University
Greenville, NC, United States
barberde17@ecu.edu

J. Steven Childers, Jr.
Radford University
Radford, VA, United States
jchilders2@RADFORD.EDU

Theresa L. Burriss
Independent Appalachian Studies Scholar
Bristol, VA
tburriss@radford.edu

Résumé

Cette étude soutient que l'entrepreneuriat rural mérite de faire l'objet d'une approche contextuelle et d'un axe de recherche spécifiques au sein de la littérature sur l'entrepreneuriat. L'article présente des arguments théoriques en faveur de la contextualisation de l'étude de l'entrepreneuriat rural, un domaine encore peu exploré au regard d'hypothèses clés concernant les réseaux sociaux, les impacts institutionnels et les circonstances historiques. Il propose d'ajouter une dimension à la théorie de la contextualisation : la distinction entre les contextes ne devrait pas se justifier uniquement par des différences dans les hypothèses relatives aux variables indépendantes, mais aussi par des différences dans les variables de résultat mesurées par les chercheurs. En s'appuyant sur des entretiens ciblés menés auprès de trois acteurs ancrés dans l'écosystème entrepreneurial des Appalaches centrales, l'article illustre la manière dont les environnements ruraux diffèrent selon quatre paramètres : les réseaux sociaux, les impacts institutionnels, les contextes historiques et la mesure des résultats. Ces conclusions encouragent de futures recherches traitant l'entrepreneuriat rural comme un contexte à part entière, plutôt que comme une catégorie résiduelle définie par opposition à des références urbaines.

Mots-clés : contextualisation, entrepreneuriat rural, multiniveau, qualitatif, Appalaches centrales

1.0 Introduction

Researchers have not reached consensus on the meaning of “rural” (Bennett et al., 2019; Bryden et al., 2019). Rural’s place as a construct juxtaposed to urban for comparison is better understood as a nuanced, multi-layered context. The dynamic interplay among various levels has not yet been well examined by entrepreneurship researchers (Hunt et al., 2021; Zahra et al., 2014). Welter’s (2011) call for further contextualized entrepreneurship theory has since been expanded to include the use of narratives, language, memories, place studies, and postcolonial theory to better understand the role and definition of context in the entrepreneurship literature (Welter & Baker, 2021). The strength of the contextual approach becomes evident when the rural context is treated as a setting in entrepreneurial research. Our approach is a finer-grained analysis, the findings of which offer new perspectives applicable to both researchers and practitioners. Focusing on the rural as a setting for entrepreneurship offers the opportunity to enrich theory by highlighting the limits of urban bias and the limits of generalizability that come from urban-centered studies (Welter & Baker, 2021).

Our understanding of entrepreneurship must include the interactive layers of contexts because contextual variables matter independently and jointly for entrepreneurial intentions and self-efficacy, both of which are shaped by proximate and distant environments (Schmutzler et al., 2019). Xu et al. (2021) demonstrate how entrepreneurs are shaped by the effect of personal-social-political relationships and macro-level social and institutional factors. They call for a more integrated approach using a multilevel perspective to investigate the impacts of entrepreneurial contexts, which is critical for the subfield of rural entrepreneurship. This involves qualitative and quantitative approaches to contextual research with data from multiple units and levels of analysis.

This study evaluates how rural entrepreneurial activities interact with institutional contexts and what rural entrepreneurs can offer to researchers and practitioners by combining historical narrative with qualitative analysis of interviews with current participants in the Central Appalachian region.

1.1 Research Questions

Building on the contextualization literature (Welter, 2011; Welter & Baker, 2021; Zahra et al., 2014), this study is guided by three questions:

1. **RQ1.** How do social, institutional, and historical contexts shape entrepreneurial activity in a rural Central Appalachian setting?
2. **RQ2.** In what ways do the outcome measures that matter to rural entrepreneurs differ from the standard growth- and innovation-oriented metrics used in urban-centered entrepreneurship research?
3. **RQ3.** How does historical narrative, used as a methodological lens, illuminate the embeddedness of rural entrepreneurs in place and tradition?

2.0 Literature Review

2.1 Contextualization

Contextualization of entrepreneurship research leads to more coherent theoretical and empirical approaches (Zahra et al., 2014), although it can also produce fragmented, disjointed work (McMullen et al., 2020). New approaches to contextualization could balance the benefits and costs (Welter et al., 2019). The wide

scope of entrepreneurship and the various ways it is realized demand contextualization of the research (Welter et al., 2019). Context is a complex phenomenon with multiple levels that influence and are influenced by entrepreneurial activities (Welter, 2011). The urge to contextualize is longstanding among entrepreneurship researchers seeking to advance the field toward thorough explanatory research instead of descriptive studies (Baker & Welter, 2020). Researchers are driven to deeply understand the context of the phenomenon they study as they become immersed in the contextual dynamics (Zahra et al, 2014). Entrepreneurs engage with context rather than solely operate within a given context (Gaddefors & Anderson, 2019). As entrepreneurship researchers continue to link theory to various contexts, strategies to inform future literature conversations include the difficulty of delineating the boundaries of contexts and questioning widely held assumptions (Zahra, 2007).

The bidirectionality of influence between entrepreneurs and the levels around them, and the degree of embeddedness, can only be understood through a nuanced but inclusive approach. Multi-layered embeddedness concepts enrich entrepreneurship research by recognizing diverse institutional and socio-spatial contexts (Welter, 2011). Cultural contexts fostering entrepreneurship are multifaceted and cannot be explained solely as a direct effect on entrepreneurial work (Morales et al., 2019). A multilevel approach provides the framework for identifying how environmental, political, personal, economic, and social forces influence rural entrepreneurs. From a spatial perspective, institutional forces at different scales must be considered concurrently to understand the complex relationship between the entrepreneur, firm, local, regional, national, and potentially global levels of analysis.

For entrepreneurs and new firms to succeed, there must be a favorable environment in which entrepreneurs have the capacity to shape the context in which they operate (Aldrich & Martinez, 2010), particularly in rural communities. Aldrich and Martinez (2010) propose a multilevel model that encompasses how interaction between entrepreneurs affects the configuration of populations, and how the configurations of inter-related populations shape community structure, suggesting a comprehensive model should explain how the structures of different communities and their inter-relationships shape societal institutions and the path of social change. An entrepreneur's level of innovation depends on the context, where economic freedom, security to operate, and freedom to manage the business predict the innovativeness of entrepreneurial activities (Fuentelsaz et al., 2018). Much remains to be learned about the layers of context impacting entrepreneurial intentions (Schmutzler et al., 2019). Though the discussion below separates contexts, each dimension is interrelated and interdependently influences entrepreneurs.

There is evidence that entrepreneurial activity happens at a high rate in rural areas (Acs & Malecki, 2003), even given the local labor market conditions, financial resources, and public support (Rupasingha & Contreras, 2014). To distinguish between an entrepreneur in a rural area and a rural entrepreneur, researchers investigate the individual's local embeddedness and underlying motivations for choosing the location. An entrepreneur in a rural area lacks strong local embeddedness and employs a profit-driven motive for the place of business. A rural entrepreneur values the rural lifestyle and is strongly embedded in the local entrepreneurial and social ecosystems (Korsgaard et al., 2015). Entrepreneurs who employ local physical and human capital and benefit from local resources become more embedded in rural areas (Akgün et al., 2010).

Rural entrepreneurs tend to earn more than other rural workers, though less than urban entrepreneurs, but the self-selection into rural communities lends support to the “grow your own” approach to rural economic development (Yu & Artz, 2019). Many assumptions made about rural contexts shape entrepreneurship research perspectives. Rural context is important but rarely well understood. Both the romanticization and the demonization of rural settings have blurred researchers’ theoretical vision (Gaddefors & Anderson, 2019). Recent studies have investigated context as a distinct feature of entrepreneurial activity, with some focusing specifically on rural settings (Gaddefors & Anderson, 2019; Müller & Korsgaard, 2018; Welter, 2011; Welter & Baker, 2021; Welter et al., 2019; Xu et al., 2021).

A further question worth posing is whether all rural entrepreneurs are alike. Empirical work suggests they are not. In a large-scale comparison of rural and urban SMEs in England, Phillipson and colleagues (2019) find that rural firms are more likely to report profits and are stronger exporters than urban counterparts, yet are less likely to create products or services that are new to the world. That finding cautions against treating rural firms as systematically underperforming and points to differences in the kinds of outcomes rural firms pursue. Differences also appear across institutional environments. In emerging-economy contexts, rural entrepreneurship is more often framed as a vehicle for poverty reduction, employment generation, and basic infrastructure development than as a vehicle for high-growth innovation (Raja et al., 2022; Zesch, 1989). Comparative work in Uganda, for instance, shows that the relationship between social capital and venture performance differs in form and magnitude between rural and urban entrepreneurs (Rooks et al., 2016). These differences across nations and institutional settings reinforce the case that rural is not a residual category and that what counts as a successful outcome cannot be assumed in advance.

2.2 Institutional Context

If institutions are the rules of the game, then entrepreneurs are the players (North, 1994). The institutional context matters for entrepreneurs and sometimes in unexpected ways (Baker & Welter, 2020). It influences the nature and extent of entrepreneurship, as well as the behavior of entrepreneurs (Welter & Smallbone, 2011). Entrepreneurs respond differently to institutional development based on firm- and individual-level characteristics. The formation of institutions structures human interaction, embodying formal constraints (rules, laws), informal constraints (norms, codes of behavior, conventions), and the characteristics of enforcement (North, 1994). Trust is a necessary ingredient for rural entrepreneurship (Nikula, 2004) and can moderate the effectiveness of any facilitating entity in complex institutional environments (Welter & Smallbone, 2011). The concept of institutional entrepreneurs describes individuals who are change agents and usher in new institutions or alter existing ones. Many entrepreneurs serve, promote, or degrade these agents of institutional change without explicit intent (Welter & Smallbone, 2011). Entrepreneurial activity in rural areas is typically not considered by national institutions or included in national policy (Vaillant & Lafuente, 2007).

The interplay between entrepreneurs and local institutions invokes a co-creation of institutional frameworks and can spur institutional change. The lines between levels, the bidirectionality of influence between rural entrepreneurs and the levels, and the degree of embeddedness can only be understood through a nuanced but inclusive approach. Traditional institutional theory does not allow for heterogeneity of

entrepreneurs (Welter & Smallbone, 2011). The underlying assumption is that all entrepreneurs react and act in the same manner when responding to institutional pressure (Peng, 2000), and this approach does not allow for a refined view of the rural context. Institutional mechanisms and contexts are influenced spatially, and a place-sensitive view represents a valuable perspective while employing contextualized entrepreneurship research (Lang et al., 2014).

Rural entrepreneurs, especially those ignored by formal institutions, have responded to institutional pressure through informal economic and entrepreneurial activities. Entrepreneurs often exploit loopholes created by institutional bureaucracy (Welter & Smallbone, 2011). This manifests in rural communities as a hidden enterprise culture of formal businesses conducting underground and unregistered activity or the formation of completely unregistered entities (Williams, 2011). Rural communities may therefore be more enterprising than previously thought. Unique and non-replicable factors in rural areas, some created by institutions, may protect entrepreneurs from outside competition (Stathopoulou et al., 2004). Some view rural places as containers of institutions and institutional arenas (Marquis & Battilana, 2009), though the impact of regulatory institutions on entrepreneurship is potentially superseded by place-dependent normative and cognitive institutions (Lang et al., 2014).

2.3 Rural Entrepreneurial Ecosystems

Recent scholarship has framed the institutional and social environment of entrepreneurship as an ecosystem. Isenberg (2010) describes the entrepreneurial ecosystem as the interrelated set of cultural, political, financial, human-capital, market, and support domains within which entrepreneurs operate. He later cautioned that the ecosystem metaphor is useful only when adapted to local conditions and not applied as a universal template (Isenberg, 2016). The ecosystem lens is well suited to rural settings precisely because rural ecosystems tend to be thin in some domains, such as venture finance and specialized professional services, and thick in others, such as kinship networks, place attachment, and informal trust (Korsgaard et al., 2015; Lang & Fink, 2019). Treating the rural ecosystem as a smaller-scale or weaker version of an urban one obscures these qualitative differences. The present study takes the position that the ecosystem in Central Appalachia must be understood on its own terms, in which historical extraction, kinship, and place-based identity are constitutive features rather than absent ones.

3.0 Theoretical Framework

Institutional theory provides the primary lens for this study. North (1994) argues that institutions shape economic performance by providing a stable framework for transactions and by reducing transaction costs. Property rights regimes, contract enforcement mechanisms, and the broader rules that govern exchange create conditions under which investment, innovation, and entrepreneurship become viable. Pacheco et al. (2010) extend this view by describing the co-evolution of institutional entrepreneurship and institutions. Institutional entrepreneurs introduce, modify, or dismantle institutions to create economic opportunities or address societal challenges, and this process of institutional change can in turn reshape the conditions for further entrepreneurial activity.

Within entrepreneurship research, institutional theory has been applied to questions of how institutional environments shape entrepreneurial activity (Bruton et al., 2010), how formal and informal institutions interact in informal-sector

entrepreneurship (Williams & Kosta, 2019), and how institutional support shapes small business development in transition economies (Peng, 2000; Welter & Smallbone, 2011). A consistent finding across this body of work is that formal institutions and informal institutions interact, and that entrepreneurs respond to both. Where formal institutional support is weak, embedded relational networks and informal norms become more important to venture survival (Welter & Smallbone, 2011). Where formal institutions change frequently, or unpredictably, entrepreneurs face heightened uncertainty and rely more heavily on local knowledge and trust (Welter & Smallbone, 2011).

Two implications follow for the present study. First, the institutional environment of rural Central Appalachia is not neutral with respect to entrepreneurial outcomes; it actively channels which kinds of ventures emerge, and which kinds of outcomes are valued. Second, formal institutions located outside the rural setting, such as state capitals and federal agencies, may have weaker influence on local entrepreneurial decisions than place-based normative and cognitive institutions such as kinship loyalty, communal identity, and a shared history of extraction. The theoretical framework therefore combines institutional theory with the contextualization literature (Welter, 2011; Welter & Baker, 2021), treating context not as a backdrop but as a constitutive feature of the phenomenon.

4.0 Methods

4.1 Research Objective and Approach

The objective of this article is to uncover meaningful qualitative characteristics of rural-based entrepreneurial ecosystems and to examine how entrepreneurship in rural areas is encouraged, managed, and constrained. While quantitative approaches to entrepreneurial research are robust, they may fall short of explaining unique contexts and informing theory (Hlady-Rispal et al., 2021"). Testing propositions through qualitative data collection is time consuming, but it provides the scaffolding needed to unwrap rich and often neglected features of complex entrepreneurial systems. Individual interviews offer a finer-grained lens that can surface insights otherwise lost in aggregate data. These findings can suggest new linkages worth exploring and can challenge accepted theoretical connections. This study follows that qualitative research tradition to provide initial insight into the propositions outlined above.

This work is among the first to use historical narrative from a contextual theoretical lens. As a result, early induced propositions are advanced to understand the key features of rural entrepreneurial settings. Historical narrative as a method offers entrepreneurship researchers the opportunity to capture rich data across multiple levels, to better understand entrepreneurial behaviors and how they unfold within the context of time, and to focus on the dynamic characteristics within a population (Demil, 2020). Drawing on best-practice recommendations for contextual entrepreneurship research, this study incorporates temporal contexts of past, present, and future, informed by ever-evolving rural political economies impacted by regional, national, and international market forces (Demil, 2020; Zahra et al., 2014). The historical aspect motivates the propositions, and the study then presents results from interviews with current agents in the entrepreneurial ecosystem in Central Appalachia.

4.2 *Setting: Central Appalachia*

The Central Appalachian region, as defined politically by the Appalachian Regional Commission, provides a fertile setting for demonstrating why rural is a context worth differentiating and studying on its own (Appalachian Regional Commission, 2021). The dichotomy between rural and urban does not allow for a nuanced investigation leading to inductive propositions. Researchers have discussed the need for a less arbitrary measure of rural, and progress has been made in this regard (Waldorf, 2006). Appalachian scholar Loyal Jones (1975) identified “love of place” as a cultural value of the region in his response to decontextualized images of Central Appalachian poverty circulating in the media following President Lyndon B. Johnson’s declaration of the War on Poverty. Jones (1975) wrote that this “attachment to one’s place is a unifying value of mountain people and a great problem to those who urge mountaineers to find their destiny outside the mountains” (Jones, 1975, pp. 512–513).

Abundant natural resources in these subregions, including coal and water, have inspired and continue to inspire entrepreneurs, whether embedded community members or absentee landowners, with divergent social and environmental results. South-Central Appalachian water mills of the early to mid-twentieth century served utilitarian, social, and political purposes. Today, microbreweries reliant on clean water sources have replaced those water mills in many areas. Historic coal communities now face challenging post-coal transitions, a phenomenon that places Central Appalachia in an international comparative frame alongside settings such as Romania’s Jiu Valley in the Carpathian Mountains. Creative innovators play a critical role in these areas historically dominated by single industries as entire communities reinvent themselves and find renewed purpose for inhabitants.

4.3 *Sample and Sampling Strategy*

Purposeful sampling was used to recruit participants whose positions within the Central Appalachian entrepreneurial ecosystem of Southwest Virginia and Northeast Tennessee would yield variation in three respects: rootedness in the region, role within the ecosystem (entrepreneur versus support/intermediary), age, and sectoral focus. Three participants were interviewed for this study. First names used in the findings section are pseudonyms, included to preserve narrative flow while limiting identifying detail:

- **Robert**, in his late 20s, a lifelong resident of Wise County, who is both an entrepreneur and a current supporter of new startups in the region.
- **Madison**, in her mid-30s, a lifelong resident of Southwest Virginia and a current entrepreneur engaged in art education in Tazewell County, who embeds past cultural elements into her current offerings.
- **Jill**, in her late 50s, a relative newcomer to Southwest Virginia/Northeast Tennessee from a global corporate background, CEO of a nonprofit focused primarily on agriculture-based Central Appalachian regional initiatives and on intermediating between local entrepreneurs and state, federal, banking, and higher-education institutions.

Together, these three participants span the embedded-with-external-reach, embedded-insider, and embedded-newcomer positions within the regional ecosystem, and they span entrepreneurial, intermediary, and educational roles. The

small sample is consistent with the exploratory and theory-building orientation of the study and with the established use of small-N qualitative designs in contextual entrepreneurship research (Hlady-Rispal et al., 2021). The aim is not statistical generalization but the development of inductive propositions that can be tested in subsequent work.

4.4 Data Collection and Analysis

A semi-structured interview protocol was developed prior to data collection (the survey instrument is not reproduced due to the JRCD formatting requirements. A copy of the survey is available from the corresponding author upon request). Participants were fully informed of their rights before interviews began. Interviews, lasting between 55 minutes and one hour and 12 minutes, were conducted electronically and recorded with participant' consent in 2024. The protocol covered five thematic areas mapped to the study's research questions: personal and family background; transition from coal-dependent economies; sources of personal and community support; relationships with local, regional, state, and national authorities; and hopes for the region's future.

Analysis proceeded in the spirit of grounded theory and the constant comparative method (Corbin & Strauss, 1990; Kolb, 2012). As prescribed, data collection and analysis worked together to inform each other, allowing the researchers to collect, refine, and categorize the data (Kolb, 2012). Completed interviews were open-coded independently by each of the three authors to identify categories, properties, and dimensions (Kolb, 2012). The authors then met to compare codes, reconcile differences in interpretation, and link emergent codes to higher-order categories. From this point, themes were assembled around the three contextual lenses derived from Baker and Welter (2020): social, institutional, and historical. Findings were supplemented through secondary research and archival sources to provide further context and triangulation where required.

5.0 Findings

Using historical narrative as the theoretical grounding and starting point for the constant comparative analysis, the research team captured rich data across multiple levels to better understand entrepreneurial behaviors, contexts, and characteristics (Demil, 2020). Context for the analysis was based on Baker and Welter (2020), providing initial structure. Specifically, the data were examined through social, institutional, and historical lenses.

5.1 The Social Context

Respondents indicated that local community ties were extremely important. Robert went further and indicated that the circle of trust was even tighter than the community level; he relies on family and extended family more than the community. According to Robert, families sacrificed for each other. In his case, his family still lives near him. All three respondents mentioned the significance of family ties, in some cases stretching back several generations. "Familism" is another Appalachian value Loyal Jones (1975) identified. Jones (1975) explained that loyalty runs deep between family members, and a sense of responsibility for one another may extend to cousins, nephews, nieces, uncles, aunts, and in-laws. For some Appalachians, outsiders are not trusted. Jill stated that one of her nonprofit staff members was extremely effective because "she is from there and knows people at all income

levels.” In the coalfields, where outsiders historically exploited both natural and human resources, an outsider-versus-insider mentality persists. As history reveals, however, even some insiders took advantage of neighbors and kin. Simple binaries cannot capture the complexity of the region, and a more nuanced analysis is needed.

Interviewees born and raised in Appalachia had opportunities to move to other places. They feel a sense of duty to come home and to use their entrepreneurial skill set to help the region. Madison, who teaches art at the local community college in addition to her entrepreneurial ventures, said that her goal is to help those with talent, and their parents, understand that there are art jobs in the area. She sees her role as one of education and empowerment, helping residents understand the value of their craft. She strives to give and to lift up, asking nothing in return. A better community that lifts all inhabitants is her goal. Respondents alluded to a tight-knit entrepreneurial circle; Robert described that he “knows other entrepreneurs and what they are doing.”

The notion of community members helping each other was a common theme. There is a notion of “us” solving problems. Madison shared that her brother struggled with substance use disorder in the past, and the family has taken him in and helped him find new ventures to build a new future. Her brother is working with the family to transition their farm from tobacco to hemp.

Substance use disorder in communities was an issue all respondents noted. Robert believed the opioid epidemic and subsequent issues limit the attractiveness of the region to outsiders. Jill stated that family and personal issues keep many in the region from moving forward and being productive. Madison and Jill both suggested that it was up to the community to work together to solve these issues. Madison stated a preference not to show the area’s social issues to outsiders, as she felt that would deter investment. Context is critical when analyzing such social problems, particularly given the lawsuits brought against pharmaceutical companies for their profit-driven role in the opioid epidemic (Mann, 2022). Regardless of the external forces leading to substance use disorder in the region, the interviewees’ comments reflect strongly independent communities with a desire to handle problems internally.

From a social perspective, the current independent nature, reinforced across generations, can also keep the community from working together. As Robert stated:

At this point we are mostly stand-alone and not working together. We need success to create greater community unity [so individuals are] not feeling like they are on an island. A vibrant eco-system [needs to be created] that will attract investors from outside the region... to create value and growth.

5.2 The Institutional Context

Respondents spoke proudly of the work of local higher education, community leaders, and local representatives. They have received grants to support their work. Robert stated, “City leaders have been supportive to try to help develop businesses and leaderships ... [What] is missing is someone that can come in and create/share vision and bring folk together.” Jill works hard to create better opportunities and linkages for the region’s farmers and entrepreneurs. She sees the need for more trust in order to create greater economic development. She pointed to her nonprofit

organization, which she said may have a better relationship with state, federal, banking, and large higher-education institutions than with local institutions.

Madison shared that she had gone to the state capital to try to lobby for help for her region, but the capital was a bit intimidating, and she did not know what steps to take from that point. The interviews, conducted with in-region, well-networked entrepreneurs, suggest there are few connections between the rural region and the state capital. Madison stated, “I hate to be this way, but you got to have somebody that is not a foreigner, you know, someone who is rooted here, but can be that umbrella to work on a larger scale.”

It would be easy to blame the disconnect on independent rural people, but the analysis suggests there is more to it. Robert reflected that “government sees success different... they want more innovation and high growth... these are success.” Robert worried whether that perspective of success could be delivered in the region, and whether the region had the talent and resources required. He further wondered if it would be possible to attract workers to the region should those jobs be created.

Madison’s story of a local cultural and development agency illustrates what the team learned about rural entrepreneurship support: “[It] was created as a [capital] project and no bridge to the community was created. Management was not from this area.” She continued by discussing her family farm. Once a thriving producer of cattle and tobacco, her family was paid by the government to stop growing tobacco. She added:

[We] got money to not grow tobacco, but we have land, equipment that you have to do something with. Hemp is a concern... is [the market] saturated and will it live up to the [state-supported] opportunity potential? You have to use the farm to do something.

5.3 The Historical Context

“My great and great-great grandparents on both sides are natives to the area,” Robert said. “I think we have been here for four generations; then I can trace it straight back to Scotland and Ireland,” Madison said. The research shows a group that takes pride in its past. Robert reflected that his family had “passed down a mindset and grit... you do things you don’t want to do in order to provide for your family.” The native respondents pointed to a tradition of hard work and seemed to equate that labor with love. Madison questioned, however, whether the traditional work ethic might have negative impacts. She observed that the “work hard and you will do well in life” traditional teaching may be hurting some people, and that she had found it necessary to discover how to find quality of life.

A great sense of pride in their region, its people, and their skill sets was apparent. Madison pointed to the need to combine the old with the new and to merge older traditions with new trends. She shared that she has continued her family tradition of growing and sharing her family pickle recipe. This past year, she inscribed the recipe and included it with the gift as a way of continuing the tradition. The youngest member of the family, she shared, was the most appreciative of the gesture. Tradition runs deep in Appalachia.

The grit and determination heard in interviews makes sense. Jill explained that remoteness and topography make it difficult to connect and move around. The

people, as a result, had to learn from adversity and to be resourceful, as Madison put it. The main economic engine of the past, “big coal,” as Robert calls it, is disappearing. The result is a region where, as Jill noted, coal communities are not geographically suitable for some economic development efforts and where few six-figure job replacements exist. People with the most need do not own the land. Interactions with coal companies and their management have not led to gains for the local region. Robert reiterated residents’ caution toward outsiders: “During big coal, companies came in, extracted what was there, and left as quick as they came.”

The people of the region have, with reason, a wariness about outside investors. Yet there is also a willingness and a desire to bring investment into the region from the outside. Madison warned that the region should “preserve history, but don’t live in it.” Indicative of the attitude heard in the interviews was Madison’s discussion of a once-thriving rural community that now has fewer than 200 residents: “[It] may not come back... maybe that is okay... it had its time.”

6.0 Discussion

This paper argues that the rural context deserves to be a subfield of its own within the entrepreneurship literature. To justify further investigation of this context, multiple assumptions regarding subfields must be called into question (Baker & Welter, 2020). The findings, drawn from three semi-structured interviews with embedded actors in the Central Appalachian entrepreneurial ecosystem of Southwest Virginia/Northeast Tennessee, illustrate how assumptions about social embeddedness, institutional dynamics, and historical aspects remain distinct in rural entrepreneurial ecosystems. The paper further proposes that context should not only be differentiated by input variables and assumptions; separate contexts should also be justified when outputs are measured in different ways.

Returning to RQ1, the three contexts proved deeply interlinked rather than independent. The social context surfaced familism, intergenerational continuity, and a tight insider-outsider distinction. The institutional context surfaced a strong attachment to local leaders coupled with a thin and difficult link to state and federal institutional actors. The historical context surfaced the long shadow of coal extraction, pride in inherited grit, and a complicated relationship with outside capital. The same person, the same family, and the same business were repeatedly described through all three lenses at once. Robert’s account of trust is at once social (family first), institutional (skepticism of state actors), and historical (memory of extractive coal companies). Madison’s pickle recipe is at once a family act, an institutional act of cultural transmission, and a historical act of preservation. Treating these contexts as separable, as much of the existing entrepreneurship literature does, loses the very integration that defines the rural ecosystem.

Using traditional measures of success and economic development goals in the rural context does not adequately reflect rural entrepreneurial accomplishments, which addresses RQ2. The urge of researchers to urbanize and to either romanticize or demonize rurality downplays the importance of the rural as a context worth existing and worth understanding on its own terms rather than under pressure to change. Using the region of Central Appalachia as a demonstration of how context differs in the rural environment, this study formulates a narrative that brings to light the need to question existing assumptions in entrepreneurship theory. It is no longer sufficient to use existing frameworks to understand the rural context. The history of Central Appalachia provided the starting point for the qualitative investigation of

entrepreneurs and those in the region's entrepreneurial ecosystems. One relevant learning is the importance of the familial aspect of the social context. Living near family is a dominant dimension for people choosing to remain in rural communities (Morse & Mudgett, 2018). In-group versus out-group theory lends itself well to the standing of the social context in place-based decision making. Being an insider does not necessarily mean that one is trusted, but being an outsider implies that one historically is not. This finding ties to the institutional context as well: outsiders are not trusted to make decisions and to force policies upon the rural environment because they do not understand the social and familial contexts that create the fabric of existence in these communities. The interviews also revealed the downside of the close-knit perspective, as it does not always attract other actors and agents who could add value to the entrepreneurial network and ecosystem.

Just as the familial permeates the social context, it pervades the historical context, which speaks to RQ3. The importance of family generations relates directly to historical embeddedness. Family businesses, as a form of rural entrepreneurship, act as a mechanism for entrepreneurs to tell stories and propagate values (Smith, 2009), creating historical meaning for future generations. The stories of tradition and the promulgation of values through historical narrative create the identity for a rural community. This promulgation often happens through stories passed down within a family unit. Community identity-building through storytelling and through combining new trends with traditional values creates an evolution of the region that does not assume what is new and shiny is better in absolute terms. There is value in tradition. The context in which entrepreneurs are embedded offers a unique understanding of the entrepreneurial process (Morrison, 2006), particularly in rural areas.

The interplay between entrepreneurs in rural communities and regional institutions reveals a co-creative process. Many of the institutions in the region, however, are not located in many communities. Vast geographic distances to state capitals, or even relatively short drives to county seats, contribute to community disconnect. Local representatives build the relationships, but interacting with institutional representatives at the non-local (state, regional, or federal) level often does not yield much benefit. Lobbying the state capital can have little influence. State capitals operate in a competitive frame in which scarce resources are divided across many constituents and many causes. In a rural setting, where the flashy concepts of technological innovation, broadband, and high-growth job creation may not be the central focus, competing for resources earmarked for those processes and ends can be wasteful. The interviews indicate a need for an advocate who embodies a balanced view of the value of the local with a larger regional or statewide lens of how to navigate the institutional framework.

6.1 Rural Heterogeneity and the Boundary of Findings

The findings here come from one rural region in one Western country and from three embedded actors within that region. The question of whether all rural entrepreneurs are alike deserves an explicit answer: no, and the differences matter for theory. In the study by Phillipson et al. (2019) of English SMEs, rural firms outperform urban firms on profitability and exporting while underperforming on world-first innovation. In emerging-economy contexts, rural entrepreneurship is more frequently positioned as a vehicle for poverty alleviation, food security, and basic livelihood than for novelty-driven growth (Raja et al., 2022; Zesch, 1989). Comparative work in Uganda finds that the structure of social capital itself, and not

merely its quantity, differs between rural and urban entrepreneurs (Rooks et al., 2016). What the three Central Appalachian interviews surface, particularly the importance of kinship, the historical weight of extraction, and the cautious relationship with state-level actors, is therefore best read as one configuration among several possible rural configurations rather than as a universal rural template. The contribution of this paper lies in showing that context-specific configurations exist and can be made visible through historical-narrative methods. Future comparative work across rural settings, including across Western and non-Western settings, is needed to map how social, institutional, and historical contexts combine into distinct rural ecosystem types.

6.2 Returning to the Research Questions

In summary, the three research questions guiding this study can now be addressed directly. For RQ1, social, institutional, and historical contexts shape entrepreneurial activity in rural Central Appalachia in deeply intertwined ways, with family acting as the connective tissue across all three. For RQ2, the outcome measures that matter to the entrepreneurs interviewed include community lift, the use of inherited resources, the preservation of place, and the survival of a way of life. None of these outcomes maps neatly onto growth, scale, or world-first innovation metrics. For RQ3, historical narrative as a methodological lens did surface aspects of embeddedness, including memory of extraction, generational continuity, and the persistence of an insider-outsider distinction, that a purely cross-sectional approach would likely have missed.

6.3 Limitations and Future Research

Several limitations should be noted. First, the sample of three interviews supports inductive proposition development but does not allow for the statistical generalization of any specific finding. Second, the study draws on one region within one country and one historical extraction context (coal). Other rural regions with different extraction histories, different demographic profiles, and different state-society relationships may yield different configurations. Third, the historical narrative approach foregrounds depth and meaning at the cost of breadth. Future work should test the inductive propositions advanced here against larger samples, ideally with mixed methods, and should pursue comparative designs across rural ecosystems in both Western and emerging-economy settings (Isenberg, 2010, 2016; Phillipson et al., 2019; Raja et al., 2022). The combination of contextualization theory (Welter, 2011; Welter & Baker, 2021) with the entrepreneurial-ecosystem lens (Isenberg, 2010, 2016) appears especially promising for advancing this agenda.

References

- Acs, Z. J., & Malecki, E. J. (2008). Entrepreneurship in rural America: The big Picture. In Z. J. Acs (Ed.), *Entrepreneurship, growth and public policy* (pp. 279–288, Edward Elgar Publishing).
https://ideas.repec.org/h/elg/eechap/12620_20.html
- Akgün, A. A., Nijkamp, P., Baycan, T., & Brons, M. (2010). Embeddedness of entrepreneurs in rural areas: A comparative rough set data analysis. *Tijdschrift voor Economische en Sociale Geografie*, 101(5), 538–553.
<https://doi.org/10.1111/j.1467-9663.2010.00630.x>

- Aldrich, H. E., & Martinez, M. A. (2010). Entrepreneurship as social construction: A multilevel evolutionary approach. In Z. J. Acs, & D. B. Audretsch (Eds.), *Handbook of entrepreneurship research: An interdisciplinary survey and introduction* (pp. 387–427). Springer-Verlag. https://doi.org/10.1007/978-1-4419-1191-9_15
- Appalachian Regional Commission. (2021). Subregions in Appalachia. <https://www.arc.gov/map/subregions-in-appalachia/>
- Baker, T., & Welter, F. (2020). *Contextualizing entrepreneurship theory*. Routledge. <https://doi.org/10.4324/9781351110631>
- Bennett, K. J., Borders, T. F., Holmes, G. M., Kozhimannil, K. B., & Ziller, E. (2019). What is rural? Challenges and implications of definitions that inadequately encompass rural people and places. *Health Affairs*, 38(12), 1985–1992. <https://doi.org/10.1377/hlthaff.2019.00910>
- Bruton, G. D., Ahlstrom, D., & Li, H.-L. (2010). Institutional theory and entrepreneurship: Where are we now and where do we need to move in the future? *Entrepreneurship Theory and Practice*, 34(3), 421–440. <https://doi.org/10.1111/j.1540-6520.2010.00390.x>
- Bryden, J. M., Foxà, J. R., & Viladomiu, L. (2019). What is rural? The historical evolution of rural typologies in Europe. In M. Vittuari, M. Pagani, & T. G. Johnson (Eds.), *The Routledge handbook of comparative rural policy* (pp. 43–55). Routledge. <https://doi.org/10.4324/9780429489075-4>
- Corbin, J., & Strauss, A. (1990). Grounded theory research: Procedures, canons, and evaluative criteria. *Qualitative Sociology*, 13(1), 3–21. <https://doi.org/10.1007/BF00988593>
- Demil, B. (2020). Reintroducing public actors in entrepreneurial dynamics: A co-evolutionary approach to categorization. *Strategic Entrepreneurship Journal*, 14(1), 43–65. <https://doi.org/10.1002/sej.1335>
- Fuentelsaz, L., Maicas, J. P., & Montero, J. (2018). Entrepreneurs and innovation: The contingent role of institutional factors. *International Small Business Journal*, 36(6), 686–711. <https://doi.org/10.1177/0266242618766235>
- Gaddefors, J., & Anderson, A. R. (2019). Romancing the rural: Reconceptualizing rural entrepreneurship as engagement with context(s). *The International Journal of Entrepreneurship and Innovation*, 20(3), 159–169. <https://doi.org/10.1177/1465750318785545>
- Hlady-Rispal, M., Fayolle, A., & Gartner, W. B. (2021). In search of creative qualitative methods to capture current entrepreneurship research challenges. *Journal of Small Business Management*, 59(5), 887–912. <https://doi.org/10.1080/00472778.2020.1865541>
- Hunt, R. A., Townsend, D. M., Korsgaard, S., & Naar, A. (2021). Urban farmers and cowboy coders: Reimagining rural venturing in the 21st century. *Academy of Management Perspectives*, 35(4), 660–681. <https://doi.org/10.5465/amp.2017.0157>

- Isenberg, D. J. (2010). How to start an entrepreneurial revolution. *Harvard Business Review*, 88(6), 40–50.
<https://growthorientedandsustainableentrepreneurship.wordpress.com/wp-content/uploads/2016/07/en-how-to-start-an-entrepreneurial-revolution.pdf>
- Isenberg, D. J. (2016). Applying the ecosystem metaphor to entrepreneurship: Uses and abuses. *The Antitrust Bulletin*, 61(4), 564–573.
<https://doi.org/10.1177/0003603X16676162>
- Jones, L. (1975). Appalachian values. In R. Higgs, & A. Manning (Eds.), *Voices from the hills* (pp. 507–517). Frederick Ungar Publishing Co. ISBN-13: 978-0804423830.
- Kolb, S. M. (2012). Grounded theory and the constant comparative method: Valid research strategies for educators. *Journal of Emerging Trends in Educational Research and Policy Studies*, 3(1), 83–86.
<https://www.scholarlinkinstitute.org/jeteraps/articles/Grounded%20Theory%20and%20the%20Constant%20Comparative%20Method.pdf>
- Korsgaard, S., Ferguson, R., & Gaddefors, J. (2015). The best of both worlds: How rural entrepreneurs use placial embeddedness and strategic networks to create opportunities. *Entrepreneurship & Regional Development*, 27(9–10), 574–598.
<https://doi.org/10.1080/08985626.2015.1085100>
- Lang, R., & Fink, M. (2019). Rural social entrepreneurship: The role of social capital within and across institutional levels. *Journal of Rural Studies*, 70, 155–168.
<https://doi.org/10.1016/j.jrurstud.2018.03.012>
- Lang, R., Fink, M., & Kibler, E. (2014). Understanding place-based entrepreneurship in rural Central Europe: A comparative institutional analysis. *International Small Business Journal*, 32(2), 204–227.
<https://doi.org/10.1016/j.jrurstud.2018.03.012>
- Mann, B. (2022, February 25). 4 U.S. companies will pay \$26 billion to settle claims they fueled the opioid crisis. *NPR*.
<https://www.npr.org/2022/02/25/1082901958/opioid-settlement-johnson-26-billion>.
- Marquis, C., & Battilana, J. (2009). Acting globally but thinking locally? The enduring influence of local communities on organizations. *Research in Organizational Behavior*, 29, 283–302.
<https://doi.org/10.1016/j.riob.2009.06.001>
- McMullen, J. S., Ingram, K. M., & Adams, J. (2020). What makes an entrepreneurship study entrepreneurial? Toward a unified theory of entrepreneurial agency. *Entrepreneurship Theory and Practice*, 00(0), 1–42.
<https://doi.org/10.1177/1042258720922460>
- Morales, C., Holtschlag, C., Masuda, A. D., & Marquina, P. (2019). In which cultural contexts do individual values explain entrepreneurship? An integrative values framework using Schwartz's theories. *International Small Business Journal*, 37(3), 241–267. <https://doi.org/10.1177/0266242618811890>
- Morrison, A. (2006). A contextualisation of entrepreneurship. *International Journal of Entrepreneurial Behavior & Research*, 12(4), 192–209.
<https://doi.org/10.1108/13552550610679159>

- Morse, C. E., & Mudgett, J. (2018). Happy to be home: Place-based attachments, family ties, and mobility among rural stayers. *The Professional Geographer*, 70(2), 261–269. <https://doi.org/10.1080/00330124.2017.1365309>
- Müller, S., & Korsgaard, S. (2018). Resources and bridging: The role of spatial context in rural entrepreneurship. *Entrepreneurship & Regional Development*, 30(1–2), 224–255. <https://doi.org/10.1080/08985626.2017.1402092>
- Nikula, J. (2004). Networks, skills and trust: The necessary ingredients of rural entrepreneurship in the Baltic countries. In A. Gilg, K. Hoggart, H. Buller, O. Furuseth, M. Lapping, & I. Alanen (Eds.), *Mapping the rural problem in the Baltic countryside*. Routledge. <https://doi.org/10.4324/9781351153287-5>
- North, D. C. (1994). Economic performance through time. *The American Economic Review*, 84(3), 359–368. <https://www.jstor.org/stable/2118057>
- Pacheco, D. F., York, J. G., Dean, T. J., & Sarasvathy, S. D. (2010). The coevolution of institutional entrepreneurship: A tale of two theories. *Journal of Management*, 36(4), 974–1010. <https://doi.org/10.1177/0149206309360280>
- Peng, M. (2000). *Business strategies in transition economies*. Sage Publications. <https://doi.org/10.4135/9781452231358>
- Phillipson, J., Tiwasing, P., Gorton, M., Maioli, S., Newbery, R., & Turner, R. (2019). Shining a spotlight on small rural businesses: How does their performance compare with urban? *Journal of Rural Studies*, 68, 230–239. <https://doi.org/10.1016/j.jrurstud.2018.09.017>
- Raja, S. S., Raju, V., Husnain, M., Sarfraz, S., Malik, F., & Raja, S. S. (2022). Framework for sustainable rural development through entrepreneurial initiatives in emerging economies. *Sustainability*, 14(19), Article 11972. <https://doi.org/10.3390/su141911972>
- Rooks, G., Klyver, K., & Sserwanga, A. (2016). The context of social capital: A comparison of rural and urban entrepreneurs in Uganda. *Entrepreneurship Theory and Practice*, 40(1), 111–130. <https://doi.org/10.1111/etap.12107>
- Rupasingha, A., & Contreras, S. (2014). Factors affecting spatial variation of microenterprises in the rural United States. *American Journal of Entrepreneurship*, 7(2), 17–31. <https://www.addletonacademicpublishers.com/contents-aje#catid262>
- Schmutzler, J., Andonova, V., & Diaz-Serrano, L. (2019). How context shapes entrepreneurial self-efficacy as a driver of entrepreneurial intentions: A multilevel approach. *Entrepreneurship Theory and Practice*, 43(5), 880–920. <https://doi.org/10.1177/1042258717753142>
- Smith, R. (2009). Mentoring and perpetuating the entrepreneurial spirit within family business by telling contingent stories. *New England Journal of Entrepreneurship*, 12(2), 27–40. <https://doi.org/10.1108/NEJE-12-02-2009-B003>
- Stathopoulou, S., Psaltopoulos, D., & Skuras, D. (2004). Rural entrepreneurship in Europe: A research framework and agenda. *International Journal of Entrepreneurial Behavior & Research*, 10(6), 404–425. <https://doi.org/10.1108/13552550410564725>

- Vaillant, Y., & Lafuente, E. (2007). Do different institutional frameworks condition the influence of local fear of failure and entrepreneurial examples over entrepreneurial activity? *Entrepreneurship & Regional Development*, 19(4), 313–337. <https://doi.org/10.1080/08985620701440007>
- Waldorf, B. S. (2006). *A continuous multi-dimensional measure of rurality: Moving beyond threshold measures*. Proceedings of the American Agricultural Economics Association, 1–28. <https://doi.org/10.22004/ag.econ.21383>
- Welter, F. (2011). Contextualizing entrepreneurship—Conceptual challenges and ways forward. *Entrepreneurship Theory and Practice*, 35(1), 165–184. <https://doi.org/10.1111/j.1540-6520.2010.00427.x>
- Welter, F., & Baker, T. (2021). Moving contexts onto new roads: Clues from other disciplines. *Entrepreneurship Theory and Practice*, 45(5), 1154–1175. <https://doi.org/10.1177/1042258720930996>
- Welter, F., & Smallbone, D. (2011). Institutional perspectives on entrepreneurial behavior in challenging environments. *Journal of Small Business Management*, 49(1), 107–125. <https://doi.org/10.1111/j.1540-627X.2010.00317.x>
- Welter, F., Baker, T., & Wirsching, K. (2019). Three waves and counting: The rising tide of contextualization in entrepreneurship research. *Small Business Economics*, 52, 319–330. <https://doi.org/10.1007/s11187-018-0094-5>
- Williams, C. C. (2011). Entrepreneurship, the informal economy and rural communities. *Journal of Enterprising Communities*, 5(2), 145–157. <https://doi.org/10.1108/17506201111131578>
- Williams, C. C., & Kosta, B. (2019). Evaluating institutional theories of informal sector entrepreneurship: Some lessons from Albania. *Journal of Developmental Entrepreneurship*, 24(2), Article 1950009. <https://doi.org/10.1142/S1084946719500092>
- Xu, F., He, X., & Yang, X. (2021). A multilevel approach linking entrepreneurial contexts to subjective well-being: Evidence from rural Chinese entrepreneurs. *Journal of Happiness Studies*, 22, 1537–1561. <https://doi.org/10.1007/s10902-020-00283-z>
- Yu, L., & Artz, G. M. (2019). Does rural entrepreneurship pay? *Small Business Economics*, 53, 647–668. <https://doi.org/10.1007/s11187-018-0073-x>
- Zahra, S. A. (2007). Contextualizing theory building in entrepreneurship research. *Journal of Business Venturing*, 22(3), 443–452. <https://doi.org/10.1016/j.jbusvent.2006.04.007>
- Zahra, S. A., Wright, M., & Abdelgawad, S. G. (2014). Contextualization and the advancement of entrepreneurship research. *International Small Business Journal*, 32(5), 479–500. <https://doi.org/10.1177/0266242613519807>
- Zesch, S. K. (1989). Forms of business organization and rural enterprise development: Some examples from Anglophone Africa. *World Development*, 17(11), 1841–1852. [https://doi.org/10.1016/0305-750X\(89\)90203-9](https://doi.org/10.1016/0305-750X(89)90203-9)